



Mavinay

Avinashilingam Institute for Home Science and Higher Education for Women

(Deemed to be University under Category 'A' by MHRD, Estd. u/s 3 of UGC Act 1956)

Re-accredited with 'A+' Grade by NAAC. Recognised by UGC Under Section 12B

Coimbatore - 641 043, Tamil Nadu, India

Bachelor's Degree Examination – March 2021 I Semester

Class : I UG
Major : Commerce/B.Com CA/B.Com PA

Time : 3 Hours
Max. Marks: 100

18BIED01 Micro Economics

Part A

10 x 1 = 10

Choose the Correct Answer

- In a free economy, prices are
 - Regulated
 - Partly regulated
 - Regulated by market forces of demand and supply
 - None of the above
- Which is the example of micro economic variable?
 - Aggregate demand
 - Wholesale price index
 - Market demand
 - National income
- An inferior good is one for which when income increases then
 - Supply decreases
 - Demand increases
 - Supply increases
 - Demand decreases
- The demand for which of the following is likely to be the most price inelastic?
 - Necessities
 - Luxury goods
 - Both a and b
 - None of the above
- If the consumers think that there are very few substitutes for a good then
 - Supply would be price elastic
 - Supply would be price inelastic
 - Demand would be price elastic
 - None of the above
- The efficient scale of production is that quantity of output that minimises
 - Average fixed cost
 - Average variable cost
 - Average total cost
 - Marginal cost
- A perfectly competitive market has
 - Single firm
 - Heterogeneous product
 - Homogenous product
 - Few sellers
- For a monopolist which of the following is true
 - Price = average revenue
 - Price = marginal revenue
 - Price = total revenue
 - Marginal revenue = marginal cost
- The book entitled as Theory of Wages is written by
 - John Hicks
 - Alfred Marshall
 - Paul Samuelson
 - J. M. Keynes
- Who proposed the Innovation theory of profit?
 - John Hicks
 - Alfred Marshall
 - J. B. Say
 - Joseph Schumpeter

Part B
Answer ALL questions
Each answer should not exceed 400 words or two pages

5 x 6 = 30

- 11.a. Write a note on the social responsibilities of business firms.
(or)
- 11.b. What are the objectives of business firms?
- 12.a. Explain various types of price elasticity of demand with diagrams.
(or)
- 12.b. State and explain with illustration the law of demand.
- 13.a. What are the properties of iso quants?
(or)
- 13.b. Distinguish between fixed costs and variable costs.
- 14.a. Bring out the features of perfect competition?
(or)
- 14.b. Examine the role of selling cost in monopolistic competition.
- 15.a. Write short notes on the wage fund theory.
(or)
- 15.b. Explain quasi rent with suitable example.

Part C
Answer ALL questions
Each answer should not exceed 800 words or fourpages

5 x 12 = 60

- 16.a. Write an essay on the nature and scope of Economics.
(or)
- 16.b. Examine the role of price mechanism in a free enterprise economy.
- 17.a. Explain the concept of consumer surplus with suitable illustration.
(or)
- 17.b. How does a consumer attain equilibrium under indifference curve analysis ? Explain.
- 18.a. Describe the economies of large scale production.
(or)
- 18.b. Explain with illustration the returns to scale theory.
- 19.a. What is price discrimination? How is price and output determined between markets under discriminating monopoly?
(or)
- 19.b. Illustrate short run and long run equilibrium of a perfectly competitive firm and industry.
- 20.a. Explain and analyse the Ricardian theory of rent.
(or)
- 20.b. Briefly explain the various theories of profits.
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